Government of Saskatchewan

Annual Report 2001-2002

Agricultural Implements Board

Agricultural Implement Board 2001/2002 Annual Report

The Agricultural Implements Act provides protection to farmers who buy or own agricultural implements. The Act requires that farm equipment dealers and manufacturers maintain minimum levels of warranty, repair and parts delivery services. Farmers may apply to the Agricultural Implements Board for compensation if they feel they have incurred a loss due to an unreasonable delay or availability of farm equipment parts.

The Board currently consists of five members:

- Norm Overland, Farmer
- Allan Smith, Canada West Equipment Dealers Association
- Doug Slough, Farmer
- Robin Fenell, Sask Wholesale Implements Association
- Loren Katzenberger, Prairie Implement Manufactures Association

2001/02

The administration of the Agricultural Implements Act was transferred from Saskatchewan Justice to Saskatchewan Agriculture, Food and Rural Revitalization (SAFRR) in April 2001.

Accomplishments:

- SAFRR developed and implemented a database to administer dealer licenses.
- Due to confusion with the definition of "Model Year" in the regulations, a new definition was recommended. A new definition of Model Year came into effect in April 2002.
- SAFRR, working with the Board, is reviewing the existing Act and Regulations and is developing recommended legislative changes. Input has been obtained from the Canada West Equipment Dealers Association (CWEDA), the Agricultural Manufactures of Canada (PIMA) and the Canadian Farm and Industrial Equipment Institute (CFIEI).
- A vacant board position has been temporarily filled with a four-month term by a representative of PIMA.

Program Statistics:

	95/96	96/97	97/98	98/99	99/00	00/01	01/02
# of dealers	529	520	525	N/A	470	473	429
# of distributors	109	111	112	N/A	114	122	119
# of manufacturers	N/A	N/A	N/A	N/A	223	242	228 (est)
# of hearings	2	3	2	N/A	0	1	1

N/A : Not Available

Critical Dates for 2002-2003:

- Farm implement dealers and distributors are required to renew licenses and registration by March 31 of each year.
- New board appointments are due in June 2002

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Agricultural Implements Board have been prepared by management in accordance with generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The Fund's management is responsible for the reliability and integrity of these financial statements and other information in this Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor Saskatchewan has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

Don Brooks
Agricultural Operations Review Board Secretary

Laurier Donais
Senior Manager, Financial Systems

Regina, Saskatchewan
May 2002

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agricultural Implements Board as at March 31, 2002 and the statements of operations and net financial assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 31, 2002

Fred Wendel, CMA, CA
Provincial Auditor

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2002	2001
ASSETS		
Due from General Revenue Fund (Note 3)	$ 150,874	$ 141,745
Accrued interest receivable	738	1,914
	$ 151,612	$ 143,659
LIABILITIES AND NET FINANCIAL ASSETS		
Accounts payable	$ 5,000	$ 1,848
Deferred revenue	2,150	-
	7,150	1,848
Net financial assets (Statement 2)	144,462	141,811
	$ 151,612	$ 143,659

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
For the Year Ended March 31

	2002	2001
Revenue:		
Assessment levies	$ 2,675	$ 2,975
Interest income	4,976	7,896
	7,651	10,871
Expenditure:		
Compensation payments	5,000	4,185
Investigations and hearings	-	1,361
	5,000	5,546
Surplus for the year	2,651	5,325
Net financial assets, beginning of year	141,811	136,486
Net financial assets, end of year - to Statement 1	$ 144,462	$ 141,811

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2002	2001
Cash flows from operating activities:		
Cash receipts from distributors	$ 4,825	$ 2,975
Cash paid to claimants and employees	(1,848)	(3,699)
Interest received	6,152	7,682
Net increase in cash position	9,129	6,958
Due from General Revenue Fund, beginning of year	141,745	134,787
Due from General Revenue Fund, end of year	$ 150,874	$ 141,745

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

1. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Accrued Interest Receivable, Accounts Payable

The carrying value of accrued interest receivable and accounts payable approximates fair value.

c) Due from General Revenue Fund

The amount due from the General Revenue Fund is interest bearing as described in Note 3. The carrying value approximates fair value.

2. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act.* Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

a) to pay compensation to farmers;

b) to defray the expenses of investigating and hearing claims for compensation under this Act; and

c) to maintain a reserve fund to pay compensation that may become payable in the future.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2002 average rate 3.41 per cent; 2001 average rate – 5.59 per cent) and the Agricultural Implements Board's average daily bank account balance.

4. Costs Borne by Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan.

The investigations and hearings expenditures of $0 (2001 - $1,361) were paid to the Department of Justice.

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by various departmental appropriations and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.